

**MINUTES OF REGULAR MEETING OF
THE REDEVELOPMENT COMMISSION OF GREENSBORO
SEPTEMBER 16, 2003**

REGULAR MEETING

The Redevelopment Commission of Greensboro met in regular meeting in the Plaza Level Conference Room, Melvin Municipal Building, Greensboro, North Carolina, on Tuesday, September 16, 2003 at 5:05 p.m. Present were: Chairman Bill Benjamin, Joe Wood, Jerry Leimenstoll, Nettie Coad and Scott Lilly. Dan Curry, Caroline Wells, and Dyan Arkin represented the Housing and Community Development Department (HCD). Jim Blackwood, Esq., was present as legal counsel for the Commission.

Chairman Benjamin called the meeting to order, introduced himself, and welcomed everyone to the meeting. He asked that anyone who wished to speak to come up to the microphone, identify themselves, and give their address.

WILLOW OAKS NEIGHBORHOOD.

A. ACQUISITION OF 714 GILLESPIE STREET

Ms. Wells stated that at the Special Meeting of September 2nd, the Redevelopment Commission voted to request that the condemnation of 714 Gillespie Street be postponed as long as feasible to consider the counteroffer appraisal for 714 Gillespie Street (an item tabled from the July meeting). The court agreed to postpone the case indefinitely and the counteroffer appraisal was sent to the review appraiser. The reviewer said that although he noted some deficiencies from the income approach, overall he accepts the counterappraisal. The Commission is asked to consider the counteroffer appraisal.

Mr. Lilly moved that the Commission accept the \$53,000 appraised value of the property located at 714 Gillespie Street, seconded by Mr. Wood.

Mr. Charles Hall, 410 East McCullough Street, said this property was owned by Avis Hall, his mother, and he was representing her.

Chairman Benjamin said Mr. Lilly had moved that the Commission offer the counteroffer appraised value of \$53,000 for 714 Gillespie and Mr. Wood seconded the motion. The Commission then voted 5-0 in favor of the motion. (Ayes: Benjamin, Wood, Coad, Leimenstoll, Lilly. Nays: None.)

Ms. Arkin told Mr. Hall she would furnish him with a written breakout of the three parcels appraised.

B. CONDEMNATION OF 704 CLAPP STREET

Ms. Wells said the Redevelopment authorized condemnation in the amount of \$222,000 for 704 Clapp Street (owned by Nancy Neese) at its February 2002 meeting. Condemnation has proceeded on this property and has moved into mediation in order to reach some agreement before going to court on October 20, 2003.

Ms. Neese's attorney presented a counteroffer appraisal in the amount of \$263,000. This appraisal was reviewed by the Redevelopment Commission and found to be acceptable. The Commission is asked to consider the counteroffer appraisal.

Counsel Blackwood said it was his understanding that the appraisal was not presented at the mediation.

Counsel Blackwood said since this matter and the next matter are already pending litigation, the Commissioners may wish to go into Executive Session for the purposes of discussion and talk about the matters. Then the Commission could come out of Executive Session and announce the Commission's decision.

Mr. Wood moved that the Redevelopment Commission go into Executive Session to discuss the pending legal matters before the Commission, seconded by Mr. Lilly. The Commission voted 5-0 in favor of the motion. (Ayes: Benjamin, Wood, Coad, Leimenstoll, Lilly. Nays: None.)

The Greensboro Redevelopment Commission went into Executive Session at 5:18 p.m.

The Greensboro Redevelopment Commission came out of Executive Session at 6:04 p.m.

Chairman Benjamin said the Commissioners made two decisions while they were in Executive Session.

The first decision made was relative to 704 Clapp Street. The Commission authorized staff and its legal counsel to proceed to offer \$263,000 in full settlement for the purchase of 704 Clapp Street. This offer included all attorney's fees and interest on the property.

C. CONDEMNATION OF 606 GILLESPIE STREET, 608 GILLESPIE STREET AND 1711 SPENCER STREET

The Redevelopment Commission authorized condemnation in the amount of \$45,000 total for the properties at 606 Gillespie Street, 608 Gillespie Street and 1711 Spencer Street (owned by Thomas Anderson). Condemnation has proceeded on these properties and the Commission attorney and staff met with Mr. Anderson in a mediation to resolve the dispute over the purchase price. At the July 22nd mediation, Mr. Anderson agreed to accept an additional \$14,000 over the purchase price (such an increase would have to be approved by the Commission). By July 28th, staff received a letter stating that Mr. Anderson has changed his mind and would only accept an additional \$30,000. The Commission is requested to consider the mediation agreement of an additional \$14,000 (a total purchase price of \$59,000).

Chairman Benjamin said this matter was discussed in Executive Session. A separate decision was made by the Commissioners to ratify the mediation settlement of \$14,000 for the purchase of 606 and 608 Gillespie Street and 1711 Spencer Street. This would be an additional \$14,000 to make a total purchase price of \$59,000 for the three properties.

D. DISPOSITION AGREEMENT

Counsel Blackwood said that they were in the process of trying to put details together about the properties that the Commission has been acquiring in Willow Oaks and properties that the Commission has yet to acquire and the manner of disposition. In Willow Oaks there is basically a four-way agreement. This is the HOPE VI Project, mainly being done by the Greensboro Housing Authority (GHA). The Housing Authority has contracted with a private firm to assist in the development. The City has been involved in various site improvements and other things. The Redevelopment Commission has acquired additional properties to put the whole package together with what were the Housing Authority's Morningside Homes. Some of the properties that the Commission has are proposed to be rental units, some owner-occupied, and the idea would be an agreement where it would be somewhat similar to the manner that the Commission had dealt with in Southside where negotiations were had with the Housing Authority and transfer to them, for purposes of clarity and going forward, because the Housing Authority has the ability to sell in a much wider frame than does the Redevelopment Commission.

In response to a question, Mr. Curry said the way the Willow Oaks Project is structured, staff expects to

have a number of final builders involved in the development. To have to go through a disposition process individually with each builder, which is a public process, with upset bids, or whatever selected process you go through, could be a relatively cumbersome process. Staff is looking to see if there is a way to basically provide a disposition process that meets all the requirements of the Statutes that the Commission is working under, but still ties in all the requirements that the Commission wants to have on this land. He said he did not think they were looking for the Commission to set any different rules on this development that all the rest of the project is not working under. He thought what staff wanted to bring back to the Commission is a process that joins all the development standards and the restrictive covenants that are a part of this overall development so that the Commission does not lose any of the structure of that, but do it in a way that allows this property to be, in effect, developed through a more private negotiated mechanism with individual builders. That is really what staff is trying to get to. But the development agreements need to be structured in a way that works for each of the private builders and that is very difficult to do in a public bid process, as staff has learned.

Mr. Curry said they had been working on this project for six years. The Commission has signed a memorandum of agreement with the GHA and the City of Greensboro as partners in this development. Right now there seems to be three options [for disposition]: GHA, if they can do disposition to individual builders, would be a simpler process than what this Commission by Statute can do. Second is disposing directly to Mid City Urban. (Staff has kind of thrown that one out because they are not the developer of any of this land; they are only providing development services). The third option was to design a process where the Commission disposes of it directly to the private builders. They are still looking at all of those options.

Counsel Blackwood said he would like to ask something that would help guide him because he had an understanding about one thing, and he wanted a clarification about it. He said he also wanted the Commissioners to hear it. The matter had to do with what the Commission is doing with this property that it has assimilated. It was his basic understanding that the basic premise of underlying concept of Willow Oaks was the mass assembly of a large block of property, then with an overall master plan that had a commonality of architectural features and the manner that it appeared so that it was in effect like a mini uniform village that would all fit together, not just as opposed to one type of structure at 700 Spencer Street that looks this way and at 704 you've got something else. He said the reason he was saying that was if you do not have someone who has the time and staff and ability to put that master concept together, when we put a bid package together on individual lots, it is very hard to get that uniformity unless you are paying for architectural designs and everything, the whole shooting match that says you are going to build this house to these designs and you have got to get that specific. What he was trying to get clarification to was how in depth does the Commission itself want to get involved in the type of improvements and ownership and use and all the details versus the idea that really kind of has been Southside where you've approved the general concepts and restrictions and declarations. He said he needed guidance because it was a 4-way partnership to begin with instead of being kind of on your own or just with the City, which is always the case. He said he needed guidance in drafting the type of document that the Commission will be looking at to know how much the Commission wants to be involved in the minutia of individual lots and the way the houses are designed. If so, he did not think that was what was being the concept that was coming from GHA and HOPE VI and the developer there because his recollection was seeing a master concept of how it was to appear and look.

Counsel Blackwood said that in either event, Mid City was going to act as consultant towards developing the plan and finding the proposed builders. They can come back to the Commission as it goes through those replatting of properties, etc. You can have delegated by stating that the redeveloper finds a supposed builder or someone that they are comfortable with, that the staff, upon review also if it meets whatever criteria that is set forth, goes ahead and advertise the intent to sell it. But when that is done, you have to advertise for 10 days, then it has to come back to this Commission, and then it has to go back up to City Council also for each of the sales.

Mr. Wood said he would like to know in laymen's terms at the next meeting what the Commission's responsibilities are. If it says our responsibility is to acquire property and cede them to GHA, then he would be happy to sign on the dotted line. If we are required by law to cede it to GHA, then by all means we should

do so.

Mr. Curry said that was not the case and staff was not trying to change the rules in midstream here. They are just now getting to the point where staff is getting down to figuring out a disposition plan. There has never been a disposition plan for the Redevelopment Commission property. There is a master plan that sets forth what is to be put on that land, but until the last few months they really had not gotten serious about how the Commission would dispose of it because the Commission did not even own all of it. Staff did not come to this meeting with all the details of what the master plan is because they really were not going to get into this discussion tonight.

Chairman Benjamin said in Southside, it was captivating because it was a new situation where we were looking for a developer to come in on a global basis to take over the whole thing, and we needed somebody to come in with a creative look. We sent out RFPs and got one fish and we hooked it. In terms of here, we are not talking potentially about one fish, we are talking about shifting it over and once that is here, we get a relative amount of the goal, but not as much. More importantly, he was looking at saying it has the lack of a spotlight or a public view. If it is subject to the same public view, then he would feel better, but that is not what he sees. He sees it being more of a deal, a handshake in the back room, and not as much ability for the public to make sure that good stewards are out there and that is what the whole reason why we have a recorded meeting. We have certain way to tell the public what we are doing. We can only go into a private session for certain purposes.

Ms. Arkin said she thought there were some other pieces that were built in that may answer some of those concerns. She said she thought what staff needed to do was to bring that to the Commission.

ADDITIONAL BUSINESS

None.

* * * * *

There being no further business before the Commission, the meeting was adjourned at 6:53 p.m.

Respectfully submitted,

Caroline Wells, Assistant Secretary
Greensboro Redevelopment Commission

CW/jd.ps